

In Re: Ernest B., III & Jane W. Williams)
Ward 44, Block 114, Parcel A31)
Residential Property) Shelby County
Tax year 2005)

\$677,400, respectively. She attributed the volume of estate sales shown in the Assessor's "Custom Comparables Report" to the enduring popularity of The Woodlands.

Tenn. Code Ann. section 67-5-601(a) provides (in relevant part) that "[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values...."

Since the appellant seeks to change the present valuation of the subject property, he has the burden of proof in this administrative proceeding. State Board Rule 0600-1-.11(1).

Generally, "a bona fide sale of the subject property is considered the best evidence of market value." International Association of Assessing Officers, Property Appraisal and Assessment Administration (1990), p. 153. But as the Assessment Appeals Commission has observed, "there is considerable risk in pointing to a single sale as conclusive evidence of market value, even a sale of the property under consideration." Mewa Singh Mundi (Washington County, Tax Years 1991 and 1992, Final Decision and Order, December 17, 1993).

In the instant case, the record casts substantial doubt on the reliability of the estate sale of the subject property as an indicator of its market value. This home was not listed for sale through a real estate broker; rather, according to the appellant's testimony, he negotiated the purchase price directly with one of the sellers (William Ray Brakebill) who was a personal acquaintance. Thus the property did not receive the level of exposure in the open market that would ordinarily be expected in an arm's-length transaction.

All four of the comparables suggested in Mr. Williams' attachment to the appeal form were considerably smaller than the subject house. Moreover, two of those sales (235 Baronne Place and 4009 Dumaine Way) occurred *after* the reappraisal date. In Acme Boot Company & Ashland City Industrial Corporation (Cheatham County, Tax Year 1989, Final Decision and Order, August 7, 1990), the Assessment Appeals Commission upheld a finding that "[e]vents occurring after (the assessment) date are not relevant unless offered for the limited purpose of showing that assumptions reasonably made on or before the assessment date have been borne out by subsequent events." *Id.* at p. 3. The other two transfers (247 Baronne Place and 4019 Dumaine Way), it should be noted, were also apparently estate sales.

Finally, as the Assessment Appeals Commission has proclaimed:

The rate of increase in the assessment of the subject property since the last reappraisal or even last year may be alarming but is not evidence that the value is wrong. It is conceivable that values may change dramatically for some properties, even over...a year.

E. B. Kissell, Jr. (Shelby County, Tax Years 1991 & 1992, Final Decision and Order, June 29, 1993), p. 2.

For these reasons, the administrative judge must respectfully recommend affirmation of the value determined by the county board.

Order

It is, therefore, ORDERED that the following values be adopted for tax year 2005:

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$33,000	\$576,800	\$609,800	\$152,450

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 24th day of July, 2006.



PETE LOESCH
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

cc: Ernest B. Williams, III
Tameaka Stanton-Riley, Appeals Manager, Shelby County Assessor's Office